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### ***Kernan Announces Third Quarter Export Numbers; More Than \$3.6 billion in Goods Shipped Outside the Country***

INDIANAPOLIS —Lt. Governor Joe Kernan announced today that Indiana's 2002 third quarter exports totaled more than \$3.6 billion, falling from the year's record setting second quarter, but still outpacing export sales of 2001.

Indiana's exports, as well as the nation's, followed a typical seasonal pattern by declining during the third quarter. Sales fell by \$368 million when compared to the state's second-quarter performance – an annualized decrease of 36.8 percent – but they represent \$222 million in growth over 2001 third quarter numbers. The nation's exports as a whole experienced an annualized decline of 14.1 percent in the third quarter.

"History tells us to anticipate export declines during the third quarter of each year, but this year's numbers contain a positive story as well," said Kernan, who serves as director of the Indiana Department of Commerce. "Compared to export sales a year ago, we've gained substantial ground. Since history also tells us to expect a rebound during the fourth quarter, we're in a good position to beat our 2001 performance, which is an impressive achievement for Hoosier companies."

Other Midwestern states, with the exception of Kentucky, experienced one-quarter sales declines as well. Michigan's exports declined by 76.9 percent; Tennessee's by 18.1 percent; Wisconsin's by 17.6 percent; Ohio's by 13.7 percent; and Illinois' by 13.5 percent (all percentages are annualized). Kentucky saw its exports grow by 11.7 percent.

The third quarter export numbers were released in The New Quarterly Indiana Export Report issued by the Global Business Information Network and the Center for International Business Education and Research at the IU Kelley School of Business.

"Our state's exports dropped substantially a year ago following the events of September 11<sup>th</sup> and have rebounded remarkably well," said Larry Davidson, professor of Business Economics and Public Policy at the IU Kelley School of Business. "A declining dollar value will improve the near-term outlook for Hoosier exports, but much also depends on a resurgence of growth in our key trade partners."

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## Third Quarter 2002 Export Numbers/add 1

Several Indiana industries showed strong gains this quarter, including machinery, plastics, pharmaceutical products, rubber, and iron and steel. While exports to Canada and Mexico continued to dominate the state's sales, the strongest percentage gains were seen in exports to Germany, Australia and Brazil.

A complete list of Indiana's top 10 export markets and industries for the third quarter of 2002 is attached.

In addition to containing details about this quarter's export numbers, The New Quarterly Indiana Export Report features an in-depth discussion of foreign investment in the state. The full report is available online at [www.indianacommerce.com/publications/NewQuarterlyExportReport](http://www.indianacommerce.com/publications/NewQuarterlyExportReport).

For further information about Indiana's exports, contact the Indiana Department of Commerce's Office of International Trade at 317.233.3762 or the report's author, Larry Davidson, at the IU Kelley School of Business at 812.855.2773.

### INDIANA'S TOP 10 EXPORT INDUSTRIES, THIRD QUARTER 2002

<i>Product</i>	<u>2002:3 exports</u> (\$ millions)	<u>2001:3 exports</u> (\$ millions)	<u>Percentage</u> <u>change</u>
Vehicles, not Railway	963.705	872.690	+10.43
Machinery	839.617	776.485	+8.13
Electrical Machinery	321.358	311.108	+3.29
Organic Chemicals	236.284	220.368	+7.22
Optic,NT 8544; Medical Instruments	215.552	215.513	+0.02
Plastic	164.156	153.598	+6.87
Pharmaceutical Products	140.672	100.372	+40.15
Misc. Chemical Products	117.657	100.235	+17.38
Rubber	54.817	57.081	-3.97
Iron and Steel	53.598	46.763	+14.62

### INDIANA'S TOP 10 MARKET DESTINATIONS, THIRD QUARTER 2002

<i>Country</i>	<u>2002:3 exports</u> (\$ millions)	<u>2001:3 exports</u> (\$ millions)	<u>Percentage</u> <u>change</u>
Canada	1,619.985	1,359.894	+19.13
Mexico	508.840	514.322	-1.07
United Kingdom	270.811	168.339	+22.12
Japan	172.123	127.575	+2.25
Germany	137.115	151.303	+7.48
France	115.127	67.964	-23.91
Netherlands	71.643	69.221	+5.41
Australia	60.55	46.978	-13.24
Korean Republic	57.706	56.892	+22.84
Singapore	56.173	54.612	-1.26
China	45.465	89.122	-16.75

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